

LAUREL - U.S. Representatives Steny Hoyer and Ben Cardin hosted a Prescription Drug Town Hall Meeting at the Phelps Senior Center in Laurel, Maryland today to discuss the new and very complicated federal prescription drug law. The Representatives were joined by the Mayor of Laurel, Craig Moe, and the Director of the Phelps Senior Center, Gina Wade. Following are some of the remarks made by Congressman Hoyer as he talked to Maryland seniors. (As prepared for delivery).

“The Medicare bill is one of the most important pieces of legislation that that Congress has passed in recent years. Lyndon Johnson signed Medicare into law in 1965 because our nation was facing a health crisis - the private insurance industry was failing to adequately cover our nation's elderly.

“Over the past 40 years, Medicare (together with Social Security) has protected millions of America's elderly and disabled from falling into poverty. But, as health care evolved to rely more on miracle medicines, it became apparent that we needed to add prescription drug coverage to Medicare.

“Any bill this important should be written with the best interests of seniors in mind. And, any bill this important should be passed on a bipartisan basis. Unfortunately the crafters of this new law did neither.

“Instead the bill passed by Congress at the end of last year was written to take care of many special interests first, and seniors last. And, the bill was written almost entirely without the participation of Democrats who represent half of our nation's citizens.

“For many years, Congressman Cardin and I and others have tried to pass a real Medicare drug benefit. We both supported a good bill last year -- one that was simple, comprehensive, and did what Congress has been promising you all these years, which is to add an affordable, guaranteed, and universal drug benefit to the Medicare program.

“Unfortunately that bill was not permitted to be considered in the House of Representatives. Instead, a badly flawed bill was forced through Congress last November, and signed into law.

“We realize that you are facing a lot of conflicting information. A recent Kaiser Family Foundation study tells us that 70% of seniors didn't realize that the bill was passed. And 60% said they do not understand it.”

“The drug benefit is confusing and illogical. The law did not simply add prescription drugs as a new covered benefit in Medicare. Instead, if you want to keep your regular Medicare coverage, the law requires that you join a separate drug-only insurance plan through a private insurance company. This separate drug-only plan will require separate premiums, separate deductibles, and will have their own rules.

“This also means that none of the numbers you see in the advertisements are guaranteed. When they say “a \$35 monthly premium” or “a \$250 annual deductible,” those numbers are just guesses as to what the private insurance companies might offer.

“Sadly, it is questionable whether insurance companies will even decide to offer the benefit. Drug-only insurance plans do not exist today, yet this law depends upon them materializing. Even Tom Scully, the former Medicare director, said that these policies “don't exist in nature and won't work in practice.”

“Whether or not these types of plans emerge will depend on whether insurance companies believe it will be profitable. I hope you will go home, read the materials we have provided, and do the math on your own drug costs. I also encourage you to visit my website [www.hoyer.house.gov] to calculate your own drug costs.”

Since 1999, under the Medicare+Choice program, private HMOs have dropped 2.4 million Medicare beneficiaries nationwide. Maryland once had 8 Medicare HMOs covering 100,000 seniors, but those HMOs have all but abandoned Maryland seniors.

Representatives Hoyer and Cardin played a new video featuring former news anchor Walter Cronkite which provided information to the senior citizens about the complex law. The video was produced by Families USA, which is a non-profit, non-partisan organization focused on providing high-quality, affordable health care for all Americans. The video can be viewed online at http://www.familiesusa.org/site/PageServer?pagename=Medicare_Road_Show_video.

In the video, Cronkite states: "This new law represents the biggest change to Medicare since the program's inception. The law is almost 700 pages long and is very complex. There are important decisions seniors will have to make on their own. In order to make informed decisions, seniors will have to understand the new law."

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